

Amendment No. \_\_\_\_\_

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Signature of Sponsor

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 275\***

**House Bill No. 323**

by inserting the following new section immediately preceding the effective date section and renumbering the effective date section accordingly:

SECTION \_\_. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following new subsection:

( ) Notwithstanding the allocations provided for in subsection (a), there must be allocated and distributed to the counties and municipalities an amount substantially equal to the amount that would have been allocated to the counties and municipalities under subdivision (a)(3) but for the temporary exemption from sales tax applicable to the retail sale of food and food ingredients between 12:01 a.m. on August 1, 2023, and 11:59 p.m. on October 31, 2023, pursuant to § 67-6-393(j)(2). The allocation provided in this subsection ( ) must be based on the reporting of exempt sales of food and food ingredients during the exemption period and any other data or information the commissioner deems relevant.

**AND FURTHER AMEND** by deleting the language "January 1, 2024" in the fourth sentence of the effective date section and substituting instead the language "July 1, 2024".



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Amendment No. \_\_\_\_\_

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Signature of Sponsor

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Date \_\_\_\_\_

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Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 276\***

**House Bill No. 324**

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 50, Part 8, is amended by adding the following as a new section:

(a) In addition to leave granted under §§ 8-50-801, 8-50-802, and 8-50-806, an eligible employee must be granted absence from work with pay for a period of time equal to twelve (12) workweeks because of the birth of the employee's child or because of the placement of a child with the employee for adoption, and upon the employee giving thirty-days' notice to the appropriate appointing authority. If the eligible employee learns of the birth or adoption less than thirty (30) days in advance, the employee shall give the notice as soon as reasonably possible. For the purpose of calculating service anniversary dates, this absence from work is considered full-time employment.

(b) Leave used by an eligible employee pursuant to this section must not be charged to sick, annual, or other leave the employee may have accumulated.

(c) Leave granted pursuant to this section must count toward the eligible employee's use of leave required to be given by this state as an employer under the federal Family and Medical Leave Act (29 U.S.C. § 2601, et seq.) and § 4-21-408.

(d) An eligible employee must not be granted more than twelve (12) workweeks of paid leave under subsection (a) during a twelve-month period, but the workweeks do not need to be taken consecutively. An eligible employee may receive no more than twelve (12) workweeks of paid leave during a twelve-month period, even if there is more



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than one (1) qualifying birth or adoption under subsection (a). Leave granted pursuant to this section must be used within twelve (12) months of the qualifying birth or adoption.

(e) As used in this section, "eligible employee" means:

(1) An employee who has been employed full-time with the state for at least twelve (12) consecutive months with an entity described in § 8-30-102(a), § 8-30-102(b)(2), § 8-30-102(b)(6)-(7), and § 8-30-102(b)(10)-(13); or

(2) An employee who has been employed full-time with the state for at least twelve (12) consecutive months with an entity described in § 8-30-102(b)(9), except for an employee of any administrative board or commission that is attached to an entity described in § 8-30-102(b)(1) or § 8-30-102(b)(3)-(5).

(f) The department of human resources shall establish policies for implementing this section with regard to executive branch agencies. With regard to nonexecutive branch agencies, the equivalent of the agency's human resources office shall establish policies for implementing this section.

(g) Paid leave under this section must be paid at one hundred percent (100%) of the employee's salary.

(h) If an eligible employee experienced a birth or adoption under subsection (a) prior to the effective date of this act and has not used all of the federal Family and Medical Leave Act leave to which the employee was entitled as a result of the birth or adoption, then the employee is entitled to leave under this section beginning on the effective date of this act for the remainder of the federal Family and Medical Leave Act leave that the employee uses on or after the effective date of this act as a result of the event in subsection (a). The duration of paid leave must not exceed the paid leave available under subsection (d).

SECTION 2. Tennessee Code Annotated, Section 8-50-801(b)(1), is amended by deleting the subdivision and substituting:

(A) An officer or employee described in § 8-30-102(b)(1) who has less than five (5) years of full-time service and was not in the active employment of the state of Tennessee on July 1, 1969, accrues annual leave at the rate of one (1) day for each month of service or major fraction thereof, and may accumulate a maximum of thirty (30) work days; and

(B) An officer or employee other than as described in § 8-30-102(b)(1) who has less than (5) years of full-time service and was not in the active employment of the state of Tennessee on July 1, 1969, accrues annual leave at the rate of twelve (12) days per year on the date the employee is hired and on each service anniversary date for the employee, and may accumulate a maximum of thirty (30) work days;

SECTION 3. Tennessee Code Annotated, Section 8-50-801(b)(2), is amended by deleting the subdivision.

SECTION 4. Tennessee Code Annotated, Section 8-50-801(b)(3), is amended by deleting the subdivision and substituting:

(A) An officer or employee described in § 8-30-102(b)(1) who has five (5) years and less than ten (10) years of full-time service accrues annual leave at the rate of one and one-half (1 1/2) days for each month of service or major fraction thereof, and may accumulate a maximum of thirty-six (36) work days; and

(B) An officer or employee other than as described in § 8-30-102(b)(1), who has five (5) years and less than ten (10) years of full-time service accrues annual leave at the rate of eighteen (18) days per year on each service anniversary date for the employee, and may accumulate a maximum of thirty-six (36) days;

SECTION 5. Tennessee Code Annotated, Section 8-50-801(b)(4), is amended by deleting the subdivision and substituting:

(A) An officer or employee described in § 8-30-102(b)(1) who has ten (10) years and less than twenty (20) years of full-time service accrues annual leave at the rate of

one and three-quarters (1 3/4) days for each month of service or major fraction thereof, and may accumulate a maximum of thirty-nine (39) work days; and

(B) An officer or employee other than as described in § 8-30-102(b)(1) who has ten (10) years and less than twenty (20) years of full-time service accrues annual leave at the rate of twenty-one (21) days per year on each service anniversary date for the employee, and may accumulate a maximum of thirty-nine (39) work days; and

SECTION 6. Tennessee Code Annotated, Section 8-50-801(b)(5), is amended by deleting the subdivision and substituting:

(A) An officer or employee described in § 8-30-102(b)(1) who has twenty (20) years or more of full-time service accrues annual leave at the rate of two (2) days for each month of service or major fraction thereof, and may accumulate a maximum of forty-two (42) work days; and

(B) An officer or employee other than as described in § 8-30-102(b)(1) who has twenty (20) years or more of full-time service accrues annual leave at the rate of twenty-four (24) days per year on each service anniversary date for the employee, and may accumulate a maximum of forty-two (42) work days.

SECTION 7. Tennessee Code Annotated, Section 8-50-801, is amended by deleting subsections (c) and (d) and substituting:

(c)

(1) Annual leave requested by an employee is subject to supervisory approval.

(2) For purposes of subdivisions (b)(1)-(5), service anniversary dates must be adjusted to account for gaps in paid employment as a state employee, as applicable.

(d) For individuals holding full-time positions in the department of education that require three (3) years' experience as a certified professional employee in the Tennessee public school system, prior teaching or administrative experience in

Tennessee public schools is creditable for purposes of subdivisions (b)(1)-(5), not to exceed three (3) years.

SECTION 8. Tennessee Code Annotated, Section 8-50-802(a)(1), is amended by deleting the subdivision and substituting:

(1) Sick leave may be granted:

(A) To each officer and employee described in § 8-30-102(b)(1) who is scheduled to work one thousand six hundred (1,600) hours or more in a fiscal year, whether compensated on an hourly, daily, monthly, or piecework basis, at the rate of one (1) day for each month of service or major fraction thereof, at the discretion of the head of the department or agency and with the approval of the commissioner of human resources; and

(B) To each officer and employee other than as described in § 8-30-102(b)(1) who is scheduled to work one thousand six hundred (1,600) hours or more in a fiscal year, whether compensated on an hourly, daily, monthly, or piecework basis, at the rate of twelve (12) days per year on the date the employee is hired and on each service anniversary date for the employee, at the discretion of the head of the department or agency and with the approval of the commissioner of human resources. For purposes of this subdivision (a)(1)(B), service anniversary dates must be adjusted to account for gaps in paid employment as a state employee.

SECTION 9. Tennessee Code Annotated, Section 8-50-807(a), is amended by deleting the subsection and substituting:

(a)

(1) Each officer and employee entitled to annual leave by this part must be compensated upon termination for the officer's or employee's unused accrued annual leave, based upon the number of months the employee worked beyond the officer's or employee's service anniversary date.

(2) If the termination date is prior to the service anniversary date, the officer or employee's final paycheck must be reduced to account for the number of annual days used that exceed the number of months in which the employee worked.

(3) If the separated employee is rehired by the state within one (1) year of the date of separation, the state shall reinstate any accrued, unused annual leave from the previous period of employment for which the employee was not compensated at separation.

SECTION 10. Tennessee Code Annotated, Section 8-27-104, is amended by deleting the section and substituting:

For the purposes of parts 1, 2, 3, and 7 of this chapter, "voluntary benefits" means those benefits the committees deem necessary and reasonable to afford coverage in addition to the basic health plan or plans, and any fully employer-paid benefits offered by the committees.

SECTION 11. Tennessee Code Annotated, Section 8-27-202(a)(2), is amended by deleting the language "A basic term life insurance benefit and basic accidental death and dismemberment benefit, with defined coverage amounts" and substituting "All benefits with defined coverage amounts fully".

SECTION 12. Tennessee Code Annotated, Section 8-27-202(a)(3), is amended by deleting the language "These benefits include optional life insurance coverage in excess of that offered under subdivision (a)(2). The state insurance committee may provide for voluntary benefits as part of the basic health plans or as separate plans."

SECTION 13. Tennessee Code Annotated, Section 8-27-202(c), is amended by deleting the language ", term life, and accidental death and dismemberment" and substituting "and plans fully paid by the employer".

SECTION 14. Tennessee Code Annotated, Section 8-27-203(b) is amended by deleting the language "the basic term life insurance benefit and basic accidental death and

dismemberment benefit" and substituting "all fully employer-funded benefits and all partially employer funded voluntary benefits".

SECTION 15. Tennessee Code Annotated, Section 8-27-203(c), is amended by deleting the language "fully paid by the enrolled members. The additional costs for participating dependents shall be fully paid by the enrolled members" and substituting "paid in full or in part by the employee".

SECTION 16. Tennessee Code Annotated, Section 8-27-205(a), is amended by deleting the subsection and substituting:

(a) The state insurance committee may establish basic health plan benefits, and voluntary benefits, as the state insurance committee deems necessary and reasonable, for state employees, as defined in § 8-27-204(a)(1), who are retired, and may establish eligibility criteria for the benefits. The health benefit may be available to:

(1) Eligible retired state employees, eligible retired employees of the University of Tennessee, and eligible retired employees of the state university and community college system who are drawing retirement benefits through the Tennessee consolidated retirement system; and

(2) Eligible retired employees of the University of Tennessee and the state university and community college system who are participants in another retirement plan offered through their employment with the University of Tennessee or the state university and community college system, regardless of whether such retired employee is drawing a retirement benefit.

SECTION 17. Tennessee Code Annotated, Section 8-27-209(a), is amended by deleting the subsection and substituting:

(a) The state insurance committee may provide a supplemental medical insurance benefit as the state insurance committee deems necessary and reasonable for retired state employees, as defined in § 8-27-204(a)(1), who are covered by



Medicare benefits, and may establish eligibility criteria for the benefit. The supplemental medical insurance benefit may be made available to:

(1) Eligible retired state employees, eligible retired employees of the University of Tennessee, and eligible retired employees of the state university and community college system who are drawing retirement benefits through the Tennessee consolidated retirement system; and

(2) Eligible retired employees of the University of Tennessee and the state university and community college system who are participants in any other retirement plan offered through their employment with the University of Tennessee or the state university and community college system, regardless of whether such retired employee is drawing a retirement benefit.

SECTION 18. Tennessee Code Annotated, Section 8-27-209(b), is amended by deleting the language "supplemental medical insurance program for retirees" and substituting "supplemental medical insurance program for retired employees".

SECTION 19. Tennessee Code Annotated, Section 8-27-209, is amended by deleting subdivisions (c)(2) and (d)(2).

SECTION 20. Tennessee Code Annotated, Section 8-27-209(e), is amended by inserting the language "benefit" after "supplemental medical insurance".

SECTION 21. Tennessee Code Annotated, Section 8-27-209, is amended by adding the following as a new subsection:

(f) As used in this section:

(1) "Retiree" means:

(A) A former state employee, or employee of the University of Tennessee, or the state university and community college system, who is drawing an allowance through the Tennessee consolidated retirement system; and

(B) A former employee of the University of Tennessee, or the state university and community college system, who participates in the optional retirement system established in § 8-25-202, regardless of whether the former employee draws a monthly retirement allowance; and

(2) "Years of service" means only those years of service rendered by the retiree as a state employee, University of Tennessee employee, or state university and community college system higher education employee, or teacher in a local education agency, and upon which the retiree's monthly retirement allowance is based.

SECTION 22. Tennessee Code Annotated, Section 8-27-305(a), is amended by deleting the subsection and substituting:

(a) The local education insurance committee may establish basic health plans and voluntary benefits, as the local education committee deems necessary and reasonable, for retired local education employees. The benefits may be made available to all eligible retired local education employees; provided, that an eligible retired local education employee who is vested in the Tennessee consolidated retirement system must be drawing retirement benefits through that system to be able to also participate in the health benefits authorized by this section.

SECTION 23. Tennessee Code Annotated, Section 8-27-305(b), is amended by deleting the language "retired teachers" and substituting "the benefits authorized in subsection (a)".

SECTION 24. Tennessee Code Annotated, Title 8, Chapter 27, Part 3, is amended by adding the following as a new section:

(a) Subject to the approval of the state insurance committee as created in § 8-27-201 and the local education insurance committee, all retired local education employees participating in the Tennessee consolidated retirement system may participate in the supplemental medical insurance program established in § 8-27-209;

provided, that retired employees are covered by Medicare benefits and are also drawing a monthly retirement allowance from the Tennessee consolidated retirement system.

(b) If, pursuant to a contract for insurance coverage authorized by this section, the provider or administrator returns or refunds any amounts by which premiums or fees exceed expenses, the amounts must be used only for the supplemental medical insurance program for retired employees. The returns or refunds must not be used to reduce the amount of state funding that would otherwise be required under subsection (c).

(c)

(1) From the appropriations made in the general appropriations act each year for that purpose, the state insurance committee may pay an amount on behalf of each participating retiree toward the cost of supplemental medical insurance provided pursuant to this section at the same level and on the same terms that are established by the state insurance committee pursuant to § 8-27-209(d).

(2) As used in this subsection (c):

(A) "Retiree" means a former teacher employed by a local education agency who is drawing a monthly retirement allowance from the Tennessee consolidated retirement system, and does not include other former local education employees; and

(B) "Years of service" means only those years of service rendered by the retiree as a state employee, University of Tennessee employee, or state university and community college system higher education employee, or teacher in a local education agency, and upon which the retiree's monthly retirement allowance is based.

(d) Except as provided in subsection (c), the state insurance committee shall not pay an amount toward the costs of supplemental medical insurance provided pursuant to this section.

(e) Former local education employees, other than those specified in subsection (c), who elect to participate in the program shall pay the total cost of such coverage. The chief governing body of a local education employer may pass a resolution to make contributions toward the expense of such coverages; provided, that the amount, terms, and conditions of contributions must be, at all times, the same as that established by the state insurance committee pursuant to § 8-27-209(d). As used in this subsection (e), for determining the employer's contribution level, "years of service" means only those years of service rendered by the retired employee to the resolving employer and upon which the retired employee's monthly retirement allowance is based. The resolution to make contributions on behalf of retired employees must remain in effect until revoked by the chief governing body.

(f) The budget of an employer electing to make contributions must include an amount sufficient to pay contributions on behalf of its retired employees covered by the supplemental insurance program. The employer shall pay the contributions to the insurer in a manner directed by the state insurance committee.

(g) The supplemental medical insurance benefit authorized by this section is not available to a person otherwise qualified under subsection (a) whose initial employment with a participating local education agency or other qualifying employer commenced on or after July 1, 2015. The rights of election, transfer, and enrollment conferred by this section is not available to a person whose initial employment with a participating local education agency, the state, or other governmental agency qualifying the person for plan membership commenced on or after July 1, 2015.

SECTION 25. Tennessee Code Annotated, Section 8-27-705(a), is amended by deleting the subsection and substituting:

(a) The local government insurance committee may establish basic health plan benefits and voluntary benefits, as the local government insurance committee deems necessary and reasonable, for retired local government employees. The health benefits may be made available to all eligible retired local government employees; provided, that an eligible retired local government employee who is vested in the Tennessee consolidated retirement system must be drawing retirement benefits through that system to receive the health benefits authorized by this section.

SECTION 26. Tennessee Code Annotated, Section 8-27-705(b), is amended by deleting the language "retirees" and substituting "the benefits authorized by subsection (a)".

SECTION 27. Tennessee Code Annotated, Section 8-27-706(a), is amended by deleting the language "8-27-201," and substituting "8-27-201 and the local government insurance committee,".

SECTION 28. This act takes effect July 1, 2023, the public welfare requiring it. Section 1 of this act applies to each eligible employee who qualifies for leave under this act on or after July 1, 2023. Sections 2-9 of this act apply to each eligible employee who qualifies for leave under this act on or after January 1, 2024. Sections 10-16 of this act apply to health insurance plan years beginning on or after January 1, 2024.

Amendment No. \_\_\_\_\_

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Signature of Sponsor

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 475\***

**House Bill No. 1362**

by deleting subsection (d) from SECTION 31 and substituting:

(d) An applicant for registration as a vendor shall pay a registration fee:

(1) For the first three-year period after registration, if the registration is approved, of one hundred fifty thousand dollars (\$150,000). Fifty thousand dollars (\$50,000) of the fee is due at registration, fifty thousand dollars (\$50,000) of the fee is due on the first anniversary of registration, and fifty thousand dollars (\$50,000) of the fee is due on the second anniversary of registration; and

(2) For the second or subsequent period of registration, a registration fee in an amount prescribed by rule of the council sufficient to defray the operating and administrative expenses incurred in administering and enforcing this chapter. The council shall promulgate rules to set the registration fee structure by July 1, 2023, and shall adjust the fee structure no more often than biennially.

**AND FURTHER AMEND** by deleting SECTION 42 and substituting instead the following:

SECTION 42. Tennessee Code Annotated, Section 4-49-117(b), is amended by deleting subdivisions (b)(10) and (11) and substituting:

(10) A nonrefundable application fee in the amount of fifty thousand dollars (\$50,000), and an initial license fee to process the application and for the first year of licensure, if the application is approved, of seven hundred fifty thousand dollars (\$750,000). Upon approval of the application, the application fee of fifty thousand dollars (\$50,000) must be applied to the initial license fee of seven hundred fifty thousand dollars (\$750,000);



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(11)

(A) Except as provided in subdivision (11)(B), for the second or subsequent year of licensure:

(i) Prior to June 30, 2025, for licensees receiving one hundred million dollars (\$100,000,000) or more in gross wagers in the immediately preceding twelve-month period, a license fee of seven hundred fifty thousand dollars (\$750,000); and

(ii) Prior to June 30, 2025, for licensees receiving less than one hundred million dollars (\$100,000,000) in gross wagers in the immediately preceding twelve-month period, a license fee of three hundred seventy-five thousand dollars (\$375,000); and

(B) The council shall promulgate rules effective July 1, 2025, to set license fees sufficient to defray the operating and administrative expenses incurred in administering and enforcing this chapter. The council shall adjust the fee structure by rule no more often than biennially; and

(12) Any additional information required by the council by rule.

Amendment No. \_\_\_\_\_

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Signature of Sponsor

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 270\***

**House Bill No. 318**

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 36-1-109(a)(1)(B)(i), is amended by deleting the language "ninety (90) days prior to or forty-five (45) days" and substituting "the duration of the pregnancy and ninety (90) days".

SECTION 2. Tennessee Code Annotated, Section 36-1-109(a)(1)(B)(ii), is amended by deleting the language "one (1) year" and substituting "two (2) years".

SECTION 3. Tennessee Code Annotated, Section 36-1-111(b)(1), is amended by deleting the language "in chambers" and inserting "A surrender made under this section may be made in chambers or over a virtual video platform on which the court sees the person or persons surrendering the child. The decision whether to conduct the surrender in chambers or over a virtual video platform is within the court's discretion." at the end of the subdivision.

SECTION 4. Tennessee Code Annotated, Section 36-1-111(b)(3), is amended by deleting the language "I know that I should only sign this form if I want my parental rights terminated. If I want to talk to my own lawyer before I sign this form, I should tell the Judge or other officiant now and this surrender process will stop. I can talk to my lawyer and then decide if I still want to end my parental rights." and substituting "I know that I should only sign this form if I want my parental rights terminated. If I want to talk to my own lawyer before I sign this form, I should tell the Judge or other officiant now and this surrender process will stop. I can talk to my lawyer and then decide if I still want to end my parental rights. If I do not have my own lawyer, I understand that I am free to go obtain my own lawyer and this surrender process will stop until I have done so, or I may continue without my own lawyer at this time. The judge or other officiant



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has also advised me that once my child is born, I am still free to obtain my own lawyer, who I can consult with prior to and during any reaffirmation of this surrender which I may choose to make."

SECTION 5. Tennessee Code Annotated, Section 36-1-111(d)(2), is amended by deleting the subdivision and substituting:

(2) A surrender or parental consent may be made at any time prior to birth, but a surrender or parental consent made prior to the birth of a child shall not be filed with the clerk of court until after the birth of the child and until the surrendering party or parties have filed a written reaffirmation of their desire to surrender the child, unless the surrender was executed in accordance with subsection (g). At the time of taking a parental consent prior to the birth of the child, the judge shall explain to the consenting parent the legal effect of signing the document, the time limit for withdrawal of the consent, and the procedures for withdrawal of the consent. Any surrender or parental consent made prior to the birth of a child must be reaffirmed within three (3) calendar days of the birth of the child, except a surrender executed in accordance with subsection (g).

SECTION 6. Tennessee Code Annotated, Section 36-1-111(d)(3), is amended by deleting the language "that is made within three (3) calendar days subsequent to the date of the child's birth, such period to begin on the day following the child's birth" and substituting "unless made after the earlier of discharge from a hospital or other birthing facility or forty-eight (48) hours following the child's birth".

SECTION 7. Tennessee Code Annotated, Section 36-1-119(a), is amended by deleting the subsection and substituting:

(a) Unless the child is related to the petitioners, a final order of adoption shall not be entered before the home study has been filed with the court and before the petition has been on file at least six (6) months and before a final court report is filed with the court, except when the order is based upon a petition for re-adoption pursuant to § 36-1-

106; however, the court, considering the petition as a whole, may deem it in the best interest of the child to reduce the waiting period to three (3) months.

SECTION 8. Tennessee Code Annotated, Section 36-1-119(c), is amended by deleting the language "six (6) months" and substituting "three (3) months".

SECTION 9. Tennessee Code Annotated, Section 36-1-127(e), is amended by adding the following as a new subdivision:

(3) Notwithstanding § 36-1-149 or another law to the contrary, no identifying information from the sealed records, sealed adoption records, or post-adoption records may be released if the biological parent of the adopted person has executed a request for redaction of identifying information, and the adopted person was less than six (6) months old at the time the request was executed. Such request for redaction must be made on a form created by the department, and may only be rescinded by submission of a sworn, notarized statement requesting such rescission. The rescission is effective upon the department's acknowledgment of receipt of the rescission.

SECTION 10. Tennessee Code Annotated, Section 37-2-401, is amended by adding the following as a new subsection:

(d) The department of children's services shall strive to identify and finalize a safe, stable, and permanent home for children in the custody of the department.

SECTION 11. Tennessee Code Annotated, Section 37-2-405, is amended by adding the following as a new subdivision:

(5) A list of services available from other state programs or agencies.

SECTION 12. Tennessee Code Annotated, Section 37-2-415(a)(22), is amended by deleting the subdivision and substituting:

(22) The department shall permit the foster parent or parents a period of respite for up to six (6) months, free from placement of foster children in the family's home with follow-up contacts by the agency occurring at a minimum of every three (3) months,

without threat of reprisal. The foster parent or parents shall provide reasonable notice, as determined by the department, to the department for respite.

SECTION 13. This act takes effect on July 1, 2023, the public welfare requiring it.

House Finance, Ways, and Means Subcommittee Am. #1

**Amendment No.** \_\_\_\_\_

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**Signature of Sponsor**

**AMEND Senate Bill No. 469**

**House Bill No. 125\***

by deleting the language "§ 55-1-105" in the amendatory language of Section 1 and substituting instead the language "§ 55-1-105(e)".

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_



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Amendment No. \_\_\_\_\_

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Signature of Sponsor

**FILED**

Date \_\_\_\_\_

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Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 275\***

**House Bill No. 323**

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 67-4-709(4)(A)(ii), is amended by deleting the language "fifty thousand dollars (\$50,000)" and substituting "one hundred thousand dollars (\$100,000)".

SECTION 2. Tennessee Code Annotated, Section 67-4-709(5)(A)(i), is amended by deleting the language "three-tenths of one percent (3/10 of 1%)" and substituting "one-tenth of one percent (1/10 of 1%)".

SECTION 3. Tennessee Code Annotated, Section 67-4-712(b)(2), is amended by deleting the subdivision and substituting:

(2) A person primarily engaged in the fabrication or processing of tangible personal property for resale and consumption off the premises with respect to the sales of such property made from the manufacturing location or from a storage or warehouse facility that is situated within a ten-mile radius of the manufacturing location;

SECTION 4. Tennessee Code Annotated, Section 67-4-712(d)(1), is amended by deleting the language "ten thousand dollars (\$10,000)" and substituting "one hundred thousand dollars (\$100,000)".

SECTION 5. Tennessee Code Annotated, Section 67-4-712(d)(2), is amended by deleting the language "ten thousand dollars (\$10,000)" and substituting "one hundred thousand dollars (\$100,000)".



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SECTION 6. Tennessee Code Annotated, Section 67-4-712(d)(3), is amended by deleting the language "ten thousand dollars (\$10,000)" and substituting "one hundred thousand dollars (\$100,000)".

SECTION 7. Tennessee Code Annotated, Section 67-4-717(b)(3), is amended by deleting the language "fifty thousand dollars (\$50,000)" wherever it appears and substituting "one hundred thousand dollars (\$100,000)".

SECTION 8. Tennessee Code Annotated, Section 67-4-717(c)(3), is amended by deleting the language "fifty thousand dollars (\$50,000)" wherever it appears and substituting "one hundred thousand dollars (\$100,000)".

SECTION 9. Tennessee Code Annotated, Section 67-4-723(b)(1), is amended by deleting the language "ten thousand dollars (\$10,000)" wherever it appears and substituting "one hundred thousand dollars (\$100,000)".

SECTION 10. Tennessee Code Annotated, Section 67-4-723(b)(4), is amended by deleting the language "ten thousand dollars (\$10,000)" and substituting "one hundred thousand dollars (\$100,000)".

SECTION 11. Tennessee Code Annotated, Section 67-4-724(a)(3), is amended by deleting the language "forty-three percent (43%)" and substituting "forty-two and sixty-two hundredths percent (42.62%)".

SECTION 12. Tennessee Code Annotated, Section 67-4-724(b)(3), is amended by deleting the language "forty-three percent (43%)" and substituting "forty-two and sixty-two hundredths percent (42.62%)".

SECTION 13. Tennessee Code Annotated, Section 67-4-2006(a), is amended by adding the following as a new subdivision:

( ) For assets purchased on or after January 1, 2023, for purposes of computing "net earnings" or "net loss" under this subsection (a), Section 168 of the Internal Revenue Code of 1986 (26 U.S.C. § 168), as amended, shall be applied as it exists and applies under the Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97.

SECTION 14. Tennessee Code Annotated, Section 67-4-2006(b)(1)(H), is amended by deleting the language "Any depreciation" and substituting instead the language "For assets purchased on or before December 31, 2022, any depreciation".

SECTION 15. Tennessee Code Annotated, Section 67-4-2006(b)(1), is amended by adding the following as a new subdivision:

( ) For tax years ending on or after December 31, 2023, but before December 31, 2025, any amount deducted under subdivision (b)(2)(F) relating to the federal employer tax credit in Section 45S of the Internal Revenue Code of 1986 (26 U.S.C. § 45S) and earned as a credit against the excise tax under § 67-4-2009;

SECTION 16. Tennessee Code Annotated, Section 67-4-2006(b)(2)(I), is amended by deleting the language "Any depreciation" and substituting instead the language "For assets purchased on or before December 31, 2022, any depreciation".

SECTION 17. Tennessee Code Annotated, Section 67-4-2006(b)(2), is amended by adding the following as a new subdivision:

( ) An amount equal to the lesser of net earnings or fifty thousand dollars (\$50,000); provided, that this amount must not create or increase a net loss;

SECTION 18. Tennessee Code Annotated, Section 67-4-2009, is amended by adding the following as a new subdivision:

( )

(A) For tax years ending on or after December 31, 2023, but before December 31, 2025, there is allowed against the sum total of the taxes imposed by the Franchise Tax Law of 1999, compiled in part 21 of this chapter, and by this part, a credit equal to the federal employer tax credit in Section 45S of the Internal Revenue Code of 1986 (26 U.S.C. § 45S), as amended, as a result of compensation paid in this state during the tax period by the taxpayer as determined consistent with § 67-4-2012.

(B) The credit allowed pursuant to this subdivision ( ) taken on a franchise and excise tax return must not exceed fifty percent (50%) of the combined franchise and excise tax liability shown by the return before the credit is taken. A credit authorized under this subdivision ( ) that is unused may be carried forward in a tax period until the credit is taken; provided, however, that the credit may not be carried forward for more than fifteen (15) years.

SECTION 19. Tennessee Code Annotated, Section 67-4-2012(a), is amended by adding the following as new subdivisions (3) through (6):

(3) Except as otherwise provided in this part, for tax years ending on or after December 31, 2023, but before December 31, 2024, net earnings must be apportioned to this state by multiplying the earnings by a fraction, the numerator of which is the property factor plus the payroll factor plus five (5) times the receipts factor, and the denominator of the fraction is seven (7).

(4) Except as otherwise provided in this part, for tax years ending on or after December 31, 2024, but before December 31, 2025, net earnings must be apportioned to this state by multiplying the earnings by a fraction, the numerator of which is the property factor plus the payroll factor plus eleven (11) times the receipts factor, and the denominator of the fraction is thirteen (13).

(5) Except as otherwise provided in this part, for tax years ending on or after December 31, 2025, net earnings must be apportioned to this state by multiplying the earnings by the receipts factor only.

(6) If the application of subdivision (a)(3), (a)(4), or (a)(5) to a tax year results in a lower apportionment ratio than under the application of the apportionment method in subdivision (a)(2) as it applied to tax years ending before December 31, 2023, then a taxpayer may annually elect to apply the apportionment method in subdivision (a)(2) as it applied to tax years ending before December 31, 2023; provided, however, the election



must result in a higher apportionment factor for the tax year, and the taxpayer must have net earnings, rather than a net loss, for that tax year as computed under § 67-4-2006.

SECTION 20. Tennessee Code Annotated, Section 67-4-2012(l), is amended by adding the following as a new subdivision:

( ) This subsection (l) is repealed for tax years ending on or after December 31, 2025.

SECTION 21. Tennessee Code Annotated, Section 67-4-2012(m), is amended by adding the following as a new subdivision:

( ) This subsection (m) is repealed for tax years ending on or after December 31, 2025.

SECTION 22. Tennessee Code Annotated, Section 67-4-2108(a)(1), is amended by deleting the subdivision and substituting:

(1) The measure of the tax levied by this part must not be less than the actual value of the real or tangible property owned or used in this state, excluding exempt inventory and exempt required capital investments; provided, that for tax years ending on or after December 31, 2024, the measure of the tax levied in this section applies to the actual value of the taxpayer's aggregate real or tangible property in excess of five hundred thousand dollars (\$500,000).

SECTION 23. Tennessee Code Annotated, Section 67-4-2111(a), is amended by adding the following as new subdivisions (3) through (6):

(3) Except as otherwise provided in this part, for tax years ending on or after December 31, 2023, but before December 31, 2024, the net worth of a taxpayer doing business both inside and outside this state must be apportioned to this state by multiplying such values by a fraction, the numerator of which is the property factor plus the payroll factor plus five (5) times the receipts factor, and the denominator of the fraction is seven (7).

(4) Except as otherwise provided in this part, for tax years ending on or after December 31, 2024, but before December 31, 2025, the net worth of a taxpayer doing business both inside and outside this state must be apportioned to this state by multiplying such values by a fraction, the numerator of which is the property factor plus the payroll factor plus eleven (11) times the receipts factor, and the denominator of the fraction is thirteen (13).

(5) Except as otherwise provided in this part, for tax years ending on or after December 31, 2025, the net worth of a taxpayer doing business both inside and outside this state must be apportioned to this state by multiplying such values by the receipts factor only.

(6) If the application of subdivision (a)(3), (a)(4), or (a)(5) to a tax year results in a lower apportionment ratio than under the application of the apportionment method in subdivision (a)(2) as it applied to tax years ending before December 31, 2023, then a taxpayer may annually elect to apply the apportionment method in subdivision (a)(2) as it applied to tax years ending before December 31, 2023; provided, however, the election must result in a higher apportionment factor for the tax year, and the taxpayer must have net earnings, rather than a net loss, for that tax year as computed under § 67-4-2006.

SECTION 24. Tennessee Code Annotated, Section 67-4-2111(l), is amended by adding the following as a new subdivision:

( ) This subsection (l) is repealed for tax years ending on or after December 31, 2025.

SECTION 25. Tennessee Code Annotated, Section 67-4-2111(m), is amended by adding the following as a new subdivision:

( ) This subsection (m) is repealed for tax years ending on or after December 31, 2025.

SECTION 26. Tennessee Code Annotated, Section 67-6-203, is amended by adding the following as a new subsection:

( ) A tax is levied at the rate of the tax levied on the sale of tangible personal property at retail by § 67-6-202 on the repairing of tangible personal property or computer software, the laundering or dry cleaning of tangible personal property, the installing of tangible personal property that remains tangible personal property after installation, and the installing of computer software, when such repair, cleaning, or installation occurs at a place of business outside this state and the serviced tangible personal property or computer software is delivered by the seller to the purchaser or the purchaser's designee within the physical limits of this state or to a carrier for delivery to a place inside the physical limits of this state for use or consumption in this state.

SECTION 27. Tennessee Code Annotated, Section 67-6-329(a)(6), is amended by deleting the subdivision.

SECTION 28. Tennessee Code Annotated, Section 67-6-344, is deleted.

SECTION 29. Tennessee Code Annotated, Section 67-6-393(j), is amended by designating the existing language as subdivision (1) and adding the following as a new subdivision (2):

(2) There is exempt from the tax imposed by this chapter the retail sale of food and food ingredients, as defined in § 67-6-102, if sold between 12:01 a.m. on August 1, 2023, and 11:59 p.m. on October 31, 2023. This subdivision (j)(2) does not exempt sales from a micro market, as defined in § 67-6-102, or vending machine or device.

SECTION 30. Tennessee Code Annotated, Title 67, Chapter 6, Part 9, is amended by adding the following new sections:

**67-6-901.**

(a) Notwithstanding another law to the contrary, this part applies in determining whether a transaction is sourced to this state under this chapter. This part applies regardless of the characterization of a product as tangible personal property, a digital good, a service, or other taxable product and applies only to determine a seller's obligation to pay or collect and remit a sales or use tax with respect to the seller's retail

sale of a product. This part does not affect the obligation of a purchaser or lessee to remit tax on the use of the product to the taxing jurisdiction of that use.

(b) This part does not impose tax on a transaction if that tax is prohibited by the United States Constitution or the Constitution of Tennessee.

(c) Florist retail sales where orders taken by a florist are sent to a receiving florist for delivery to the purchaser's designee must be sourced in accordance with rules promulgated by the commissioner in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(d) Sales made through a marketplace facilitator's marketplace must be sourced in accordance with § 67-6-902.

(e) Telecommunications services and ancillary services, as set out in § 67-6-905, must be sourced in accordance with that section.

**67-6-902.**

(a)

(1) For purposes of this subsection (a):

(A) "Location" does not include a location that merely provided the digital transfer of the product sold; and

(B) "Receive" or "receipt":

(i) Means:

(a) Taking possession of tangible personal property;

(b) Making first use of services; or

(c) Taking possession or making first use of digital products, whichever comes first; and

(ii) Does not include possession by a shipping company on behalf of the purchaser.

(2) The retail sale, excluding lease or rental, of a product from out of state into this state is sourced as follows:

(A) When the product is received by the purchaser at a business location of the seller, the sale is sourced to that business location;

(B) When the product is not received by the purchaser at a business location of the seller, the sale is sourced to the location where receipt by the purchaser or the purchaser's donee as designated by the purchaser occurs, including the location indicated by instructions for delivery to the purchaser or the purchaser's donee, known to the seller;

(C) When subdivisions (a)(2)(A) and (a)(2)(B) do not apply, the sale is sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller's business when use of that address does not constitute bad faith;

(D) When subdivisions (a)(2)(A) – (a)(2)(C) do not apply, the sale is sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of that address does not constitute bad faith; and

(E) When subdivisions (a)(2)(A) – (a)(2)(D) do not apply, or in the circumstance in which the seller is without sufficient information to determine which sourcing requirement in this subdivision (a)(2) applies, then the location is determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller, or from which the service was provided.

(b)

(1) For purposes of this subsection (b), "transportation equipment"

means:

(A) Locomotives and railcars that are utilized for the carriage of persons or property in interstate commerce;

(B) Trucks and truck-tractors with a gross vehicle weight rating (GVWR) of ten thousand one pounds (10,001 lbs.) or greater, trailers, semi-trailers, or passenger buses that are:

(i) Registered through the International Registration Plan;

and

(ii) Operated under authority of a carrier authorized and certificated by the United States department of transportation or another federal authority to engage in the carriage of persons or property in interstate commerce;

(C) Aircraft that are operated by air carriers authorized and certificated by the United States department of transportation or another federal or foreign authority to engage in the carriage of persons or property in interstate or foreign commerce; and

(D) Containers designed for use on and component parts attached or secured on the items set forth in subdivisions (b)(1)(A) – (b)(1)(C).

(2) The lease or rental of tangible personal property imported into this state is sourced as follows:

(A) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with subsection (a);

(B)

(i) Except as provided in subdivisions (b)(2)(C) and (b)(2)(D), for a lease or rental that requires recurring periodic payments, the first periodic payment is sourced the same as a retail sale in accordance with subsection (a). Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment;

(ii) The primary property location is as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of that address does not constitute bad faith; and

(iii) The property location must not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and services calls;

(C) For the lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment and watercraft with a displacement of under fifty (50) tons, that requires recurring periodic payments, the first and each subsequent periodic payment is sourced to the primary property location. The primary property location is determined in accordance with subdivision (b)(2)(B); and

(D) Notwithstanding the primary property location covered by a recurring periodic payment, the lease or rental of transportation equipment is sourced the same as a retail sale in accordance with subsection (a).

(3) This subsection (b) does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

**67-6-903.**

(a) The sale, including lease or rental, of a product made from a place of business within the physical limits of this state where delivery is made by the seller or lessor to a purchaser or lessee within the physical limits of this state, or to a carrier or United States postal service location for delivery to a place within the physical limits of this state, is sourced to the seller's or lessor's place of business in this state.

(b) The location of where the purchaser may take or use the product is not determinative of where the sale is sourced.

(c) For the sale of a product made from a place of business within the physical limits of this state that is delivered by the seller to the purchaser or the purchaser's designee outside the physical limits of this state or to a carrier for delivery to a place outside the physical limits of this state, the sale is not sourced to this state.

(d) For a lease or rental of property, excluding transportation equipment as defined in § 67-6-902(b)(1), delivered to the lessee or renter in this state that requires recurring periodic payments, the periodic payments made subsequent to the first payment that cover periods where the primary property location is no longer within the physical limits of this state are not sourced to this state. The lessor is not liable for the tax imposed under this chapter on the periodic payments that cover periods where the primary property location is no longer in this state. The primary property location is determined in accordance with § 67-6-902(b)(2)(B).

(e) For the sale of repairing of tangible personal property or computer software; laundering or dry cleaning of tangible personal property; and installing of tangible personal property that remains tangible personal property after installation; and installing of computer software, made from a place of business within the physical limits of this



state where the serviced tangible personal property or computer software is delivered by the seller to the purchaser or the purchaser's designee outside the physical limits of this state or to a carrier for delivery to a place outside the physical limits of this state, the sale is not sourced to this state.

**67-6-904.**

(a) For purposes of this section:

(1) "Advertising and promotional direct mail" means printed material that is direct mail, for which the primary purpose is to attract public attention to a product, person, business, or organization, or to attempt to sell, popularize, or secure financial support for a product, person, business, or organization;

(2) "Direct mail" has the same meaning as defined in § 67-6-102;

(3) "Other direct mail":

(A) Means direct mail that is not advertising and promotional direct mail regardless of whether advertising and promotional direct mail is included in the same mailing; and

(B) Includes, but is not limited to:

(i) Transactional direct mail that contains personal information specific to the addressee, including, but not limited to, invoices, bills, statements of account, and payroll advices;

(ii) Any legally required mailings, including, but not limited to, privacy notices, tax reports, and stockholder reports; and

(iii) Other nonpromotional direct mail delivered to existing or former shareholders, customers, employees, or agents, including, but not limited to, newsletters and informational pieces; and

(C) Does not include the development of billing information or the provision of a data processing service that is more than incidental; and

(4) "Product" means tangible personal property, a product transferred electronically, or a service.

(b) The sale of direct mail is sourced as follows:

(1) For the sale of advertising and promotional direct mail and other direct mail made from a place of business in this state to a purchaser where delivery is made by the seller to a carrier or United States postal service location for distribution or delivery to direct mail recipients within the physical limits of this state, the sale is sourced to the seller's place of business;

(2) To the extent the seller knows based on information provided by the purchaser showing the jurisdictions to which the direct mail will be delivered to recipients in another state, the portion of the sales price that equals the percentage of direct mail delivered to recipients in another state is not sourced to this state;

(3) In lieu of providing the delivery information in accordance with subdivision (b)(2), a purchaser may provide the streamlined certificate of exemption to claim the direct mail exemption for the portion of the sales price that equals the percentage of direct mail delivered to recipients in another state; and

(4) In the absence of bad faith, where the seller sourced the sale according to the delivery information provided by the purchaser in accordance with this section, the seller is not liable for tax if it is determined the purchaser provided incorrect delivery information.

(c) This section does not impose tax on billing services or data processing services.

SECTION 31. Tennessee Code Annotated, Section 67-6-905(a), is amended by adding the following as new, appropriately designated subdivisions:

( ) "Ancillary services" means services that are associated with, or incidental to, the provision of telecommunications services, including, but not limited to, detailed

telecommunications billing service, directory assistance service, vertical service, and voice mail service;

( ) "Conference bridging service":

( ) Means an ancillary service that links two (2) or more participants of an audio or video conference call and may include the provision of a telephone number; and

( ) Does not include the telecommunications services used to reach the conference bridge;

( ) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement;

( ) "Directory assistance service" means an ancillary service of providing telephone number information and address information;

( ) "Prepaid calling service" means the right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount;

( ) "Prepaid wireless calling service" means a telecommunications service that provides the right to utilize mobile wireless service, as well as other non-telecommunications services, including the download of digital products delivered electronically, content and ancillary services, which must be paid for in advance, that is sold in predetermined units or dollars, of which the number declines with use in a known amount;

( ) "Vertical service" means an ancillary service that is offered in connection with one (1) or more telecommunications services, and that offers advanced calling features

that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services;

( ) "Voice mail service":

( ) Means an ancillary service that enables the customer to store, send, or receive recorded messages; and

( ) Does not include vertical services that the customer may be required to have in order to utilize the voice mail service;

SECTION 32. Tennessee Code Annotated, Section 67-6-905, is amended by adding the following as a new subsection:

(e) A sale of a prepaid calling service, or a sale of a prepaid wireless calling service, is sourced in accordance with:

(1) Section 67-6-903 when sold from a place of business within the physical limits of this state; and

(2) Section 67-6-902(a)(2) when sold from out of state into this state; provided, however, that, in the case of a sale of prepaid wireless calling service, the rule provided in § 67-6-902(a)(2)(E) includes as an option the location associated with the mobile telephone number.

SECTION 33. Tennessee Code Annotated, Section 67-4-2023(b)(3), is amended by designating the existing language as subdivision (b)(3)(A) and adding the following as a new subdivision (b)(3)(B):

(B) "Certified distribution sales" also includes sales of alcoholic beverages, as defined in § 57-3-101, when such sales are made in this state by the taxpayer to an affiliate that continues the manufacturing process, prior to the manufactured beverage being sold for ultimate use or consumption outside this state; provided, that the affiliate has certified that such property has been sold for ultimate use or consumption outside this state. Such certification must be made in the manner prescribed by the commissioner.

SECTION 34. Tennessee Code Annotated, Section 67-4-2023(b)(1), is amended by inserting the following at the end of the subdivision immediately preceding the semicolon:

, or if a taxpayer's sales of alcoholic beverages, as defined in § 57-3-101, made in this state to an affiliate that continues the manufacturing process exceed one billion dollars (\$1,000,000,000), as determined under § 67-4-2012 without regard to this section

SECTION 35. Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 33, and 34 of this act take effect upon becoming a law, the public welfare requiring it, and apply to tax years ending on or after December 31, 2023. Sections 11 and 12 of this act take effect April 1, 2024, the public welfare requiring it, and apply to revenue received on or after that date. Section 17 of this act takes effect January 1, 2024, the public welfare requiring it, and applies to tax years ending on or after December 31, 2024. Sections 26, 27, 28, 30, 31, and 32 of this act take effect January 1, 2024, the public welfare requiring it. All other sections of this act take effect upon becoming a law, the public welfare requiring it.